

Economic Indicators

Strong employment gains in the Edmonton region

September 7, 2018

Employment in the **Edmonton** Census Metropolitan Area (CMA) rose by approximately 7,600 positions in August 2018 from July 2018. The gains were in both full- and part-time positions, as growth in the primary, construction, professional services and public administration sectors offset job losses in the manufacturing and accommodation and food services sectors.

Edmonton's unemployment rate edged lower from 6.5% in July to 6.4% in August as employment gains were slightly higher than additions to the labour force. The unemployment rate for the **Calgary CMA** was up from 7.9% in July 2018 to 8.2% in August.

Labour Force Survey Results—Edmonton CMA¹
Three-month moving average—seasonally adjusted

	Aug 2017	July 2018	Aug 2018	July 2018 to Aug 2018	Aug 2017 to Aug 2018	July 2018 to Aug 2018	Aug 2017 to Aug 2018
	(000)	(000)	(000)	(000)	(000)	%	%
Population (15 years and older)	1139.8	1159	1161.2	2.2	21.4	0.2	1.9
Labour force	833.8	834.8	842.1	7.3	8.3	0.9	1.0
Employment	762	780.4	788	7.6	26	1.0	3.4
Unemployment	71.8	54.4	54.1	-0.3	-17.7	-0.6	-24.7
Unemployment rate (%)	8.6	6.5	6.4	-0.1	-2.2
Participation rate (%)	73.2	72	72.5	0.5	-0.7
Employment rate (%)	66.9	67.3	67.9	0.6	1.0

Source: Statistics Canada, Table 14-10-0294-01

¹ Statistics Canada released revised employment data in January 2018. Consequently the historical data in this table will vary from those reported in past months.

Employment in **Alberta** gained 16,200 positions in August 2018 compared to July 2018. While the number of part-time positions increased in August 2018 month-over-month, employment growth was more concentrated in full-time positions. Alberta's unemployment rate remained at 6.7% in August 2018 as the labour force grew at about the same pace as employment growth.

Following two months of increases, **Canada's** overall employment in August 2018 saw a decrease of 51,600 positions compared to the month prior. The reduction was concentrated in part-time positions as full-time employment increased. Job losses were in the professional services, trade and construction sectors which more than offset gains in business, building and other support services. Canada's unemployment rate rose from 5.8% in July to 6% in August 2018.

Significance

Job gains in the Edmonton region continue to demonstrate that the region is recovering from the downturn in 2016. With very good month-over-month increases in August 2018, the Edmonton region's full-time employment gains continue to suggest employer confidence is on the rise as they add to their workforce and increase hours worked. As well, with the past year's employment growth concentrated in full-time positions, average weekly wages edged up by about 1% year-over-year in August 2018.

For the balance of 2018, employment in Edmonton should see growth in the manufacturing, professional services and financial services sectors. However, the unemployment rate is unlikely to move much lower than the 6.4% seen in August as individuals discouraged by less favourable employment conditions in the first quarter of 2018 return to the active labour force. As well, with Edmonton's unemployment rate now below the provincial average and converging on the national rate, migration into Edmonton from other parts of Alberta and Canada should increase, boosting the growth rate of the working-age population and active labour force.

Growth in the working-age population, up by 1.9% from August 2017 to August 2018, will be a key factor in addressing labour and skill shortages that may emerge in Edmonton as the local economy continues to recover and the labour market tightens.

Limitations

Employment trends, particularly in the full-time category, tend to lag behind developments in overall economic activity. Because of this, they are a better indicator of past, rather than current, conditions in the economy. However, employment trends are still useful predictors of future changes in incomes and consumer spending. Statistics Canada publishes a three-month moving average of all labour force values for the Edmonton region, an approach that sometimes results in the number of reported jobs lagging behind developments in the Edmonton region's economy.

Contact

John Rose
Chief Economist
Financial and Corporate Services
780-496-6070

Felicia Mutheardy
Senior Economist
Financial and Corporate Services
780-496-6144